

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO *et al.*,

Debtors.¹

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:
: PROMESA
: Title III
:
: Case No. 17-BK-3283 (LTS)
:
: (Jointly Administered)
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: X

**FIRST SUPPLEMENTAL VERIFIED STATEMENT OF OFFICIAL COMMITTEE OF
UNSECURED CREDITORS PURSUANT TO BANKRUPTCY RULE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), made applicable to these title III cases by section 310 of the Puerto Rico Oversight, Management and Economic Stability Act of 2016 (“PROMESA”),² the Official Committee of Unsecured Creditors of all title III Debtors (other than COFINA) (the “Committee”) by and through its undersigned counsel, hereby submits this first supplemental verified statement (the “Supplemental Verified Statement”), and respectfully states as follows:

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² References to PROMESA are references to 48 U.S.C. §§ 2101 *et. seq.*

1. On June 15, 2017, the Office of the United States Trustee for the District of Puerto Rico (the “U.S. Trustee”) filed a *Notice Appointing Creditors Committee for Unsecured Creditors* [Docket No. 338].

2. On August 16, 2017, the Committee filed the *Verified Statement of Official Committee of Unsecured Creditors Pursuant to Bankruptcy Rule 2019* [Docket No. 1050].

3. On August 25, 2017, the U.S. Trustee filed an *Amended Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 1171] (the “Amended Notice of Appointment”). The Amended Notice of Appointment reflected (i) that from and after August 25, 2017, the Committee would serve as official committee of unsecured creditors in the Commonwealth, HTA, ERS, and PREPA title III cases, and (ii) that the U.S. Trustee had appointed two additional members of the Committee: Ferrovia Agroman, and Vitol, Inc. (“Vitol”).

4. On August 31, 2017, the U.S. Trustee filed a *Second Amended Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 1218] (the “Second Amended Notice of Appointment”). The Second Amended Notice of Appointment reflected (i) that Ferrovia Agroman had resigned from the Committee, and (ii) that the U.S. Trustee had appointed to the Committee one additional member: Peerless Oil & Chemicals, Inc. (“Peerless”).

5. On April 27, 2018, Vitol resigned as a member of the Committee. As of the date of this Supplemental Verified Statement, the U.S. Trustee has not appointed a replacement Committee member.

6. In accordance with Bankruptcy Rule 2019, attached hereto as Exhibit A is a list of the names and addresses of each Committee member, and the nature and amount of all disclosable economic interests held by each Committee member in relation to the Debtors as of

April 30, 2018. The claims and claim amounts set forth on Exhibit A have been provided to Committee counsel by the applicable Committee members.

7. By filing this Supplemental Verified Statement, the Committee makes no representation regarding the amount, allowance or priority of such claims and reserves all rights with respect thereto.

8. Nothing contained in this Supplemental Verified Statement (or Exhibit A hereto) should be construed as a limitation upon, or waiver of, any Committee member's right to assert, file, or amend its claim(s) in accordance with applicable law and any orders entered in these cases, including any order establishing procedures for filing proofs of claim.

9. The Committee reserves the right to amend or supplement this Supplemental Verified Statement in accordance with the requirements set forth in Bankruptcy Rule 2019.

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Dated: May 9, 2018

/s/ G. Alexander Bongartz

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Local Counsel to the Official Committee of Unsecured Creditors

COMMITTEE'S SUPPLEMENTAL VERIFIED STATEMENT

EXHIBIT A

NAME	ADDRESS	NATURE AND AMOUNT OF DISCLOSABLE ECONOMIC INTEREST ¹														
American Federation of Teachers (“ <u>AFT</u> ”)	555 New Jersey Avenue, N.W., 11th Floor Washington, DC 20001	AFT, as authorized agent for the Asociación de Maestros de Puerto Rico-Local Sindical, holds prepetition unsecured claims based upon rights arising under a collective bargaining agreement (“ <u>CBA</u> ”) with the Department of Education of Puerto Rico and under statute, including, but not limited to, (1) non-contingent claims (a) for wage increases for years of service and career enhancement as allowed by statute and/or contract but not paid, (b) that are subject to grievance or arbitration procedures which have not yet been processed or therefore liquidated, and (c) that are for other terms of employment which may have been denied, and (2) contingent claims including but not limited to claims arising in connection with compensation, pension, medical and other benefits and/or as a result of any breach or alteration of the CBA or applicable statute or law.														
Drivetrain, LLC, as the Creditors’ Trustee for Doral Financial Corporation (“ <u>DFC</u> ”)	630 Third Avenue 21st Floor New York, NY 10017	<p>DFC holds prepetition unsecured claims under a certain closing agreement, dated December 30, 2013, by and among the Secretary, in her capacity as Secretary of the Treasury, and DFC and certain of its affiliates (the “<u>2013 Closing Agreement</u>”), under which DFC became entitled to a credit for tax overpayments in the amount of \$34,097,526. The 2013 Closing Agreement provided that the DFC overpayment could be used to reduce estimated taxes or it could be claimed as a tax refund. As of the date hereof, DFC has not used any of the DFC overpayment. As such, DFC has a tax refund claim in the amount of \$34,097,526.</p> <p>In addition, based on certain closing agreements, DFC is entitled to accrue a \$59,314,891 amortization deduction annually from 2017 through 2021 (the “<u>Tax Asset</u>”), which could be used to reduce income that would otherwise be subject to Puerto Rico tax. Under these closing agreements, DFC is contractually entitled to an aggregate deduction of \$296,574,455. DFC asserts a claim for any loss of the Tax Asset, as well as any impairment of its rights under the closing agreements.</p> <p>DFC also asserts an unliquidated damages claim against the Commonwealth on a number of bases.</p>														
Genesis Security Services, Inc. (“ <u>Genesis</u> ”)	5900 Isla Verde Avenue L-2 PMB 438 Carolina, PR 00979	<p>Genesis holds prepetition unsecured claims against the Commonwealth and/or its instrumentalities under agreements for the provision of security services, in the following amounts:²</p> <table><tr><td colspan="2">Commonwealth:</td></tr><tr><td>Department of Labor</td><td>\$1,994,674.27</td></tr><tr><td>Department of Transportation and Public Works</td><td>\$186,912.54</td></tr><tr><td>Capitol Superintendence</td><td>\$273,017.11</td></tr><tr><td>Department of Education</td><td>\$2,445,219.57</td></tr><tr><td>Telecommunications Regulatory Board</td><td>\$364.94</td></tr><tr><td>State Department</td><td>\$3,425.79</td></tr></table>	Commonwealth:		Department of Labor	\$1,994,674.27	Department of Transportation and Public Works	\$186,912.54	Capitol Superintendence	\$273,017.11	Department of Education	\$2,445,219.57	Telecommunications Regulatory Board	\$364.94	State Department	\$3,425.79
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¹ The Committee takes no position with respect to the amount, validity, secured status, or priority of any of the Committee member’s asserted claims that are listed herein. The information contained herein was provided to counsel for the Committee by each Committee member.

² The entities listed below are title III Debtors or their agencies.

NAME	ADDRESS	NATURE AND AMOUNT OF DISCLOSABLE ECONOMIC INTEREST ¹
		<p>Puerto Rico Department of the Family \$2,003,934.46</p> <p>Department of Health \$5,291,443.74</p> <p>Corps of Medical Emergencies Bureau \$22,699.74</p> <p>Highways & Transportation Authority \$1,051,009.92</p> <p>Puerto Rico Electric Power Authority \$284,621.01</p> <p>Total \$11,562,648.82</p>
Peerless Oil & Chemicals, Inc. (“Peerless”)	671 Road 337 Peñuelas, Puerto Rico 00624-7513	Peerless holds prepetition unsecured claims of \$602,709.26 against HTA and \$16,761.19 against PREPA for amounts owing under certain fuel oil purchase contracts.
Puerto Rico Hospital Supply, Inc. (“ <u>PR Hospital Supply</u> ”)	Call Box 158 Carolina, PR 00986-0158	<p>PR Hospital Supply holds prepetition unsecured claims against the Commonwealth and/or its instrumentalities under agreements for the purchase of hospital supplies, inventory, and related services, in the following amounts:³</p> <p>Department of Health \$1,431,542.71</p> <p>Department of Correction and Rehabilitation \$1,101.56</p> <p>Total \$1,432,644.27</p>
Service Employees International Union (“ <u>SEIU</u> ”)	1800 Massachusetts Avenue, N.W. Washington, DC 20036	SEIU and its affiliates, SEIU Local 1996/Sindicato Puertorriqueño de Trabajadores y Trabajadoras, and SEIU Local 1199/Unión General de Trabajadores, hold prepetition unsecured contingent and non-contingent claims, not currently liquidated, against the Commonwealth and/or its instrumentalities based on (1) pay, benefits and other terms of employment owing to SEIU members under collective bargaining agreements with the Commonwealth and/or its instrumentalities, including, but not limited to, (a) pay, benefits and other terms of employment claimed in pre-petition union grievances and arbitrations and (b) pay, benefits and other terms of employment denied employees as a result of pre-petition legislative, executive or other unilateral action by the Commonwealth; and (2) pension and other post-employment benefits that SEIU members have accrued as a result of their employment with the Commonwealth and/or its instrumentalities.
Total Petroleum Puerto Rico Corp. (“ <u>Total</u> ”)	Citi View Plaza Tower I 48 Road 165 Oficina 803 Guaynabo, PR 00968-8046	Total holds prepetition unsecured claims arising under certain contracts and/or transactions with the Commonwealth and/or its instrumentalities, including motor fuel purchase and supply contracts, in excess of \$500,000. ⁴

³ The entities listed below are title III Debtors or their agencies.

⁴ Total is in the process of reconciling prepetition invoices and payments received pre- and postpetition from the Commonwealth and/or its instrumentalities, and it will update its prepetition claim amount in connection with the filing of the next Committee supplemental Rule 2019 statement.

NAME	ADDRESS	NATURE AND AMOUNT OF DISCLOSABLE ECONOMIC INTEREST ¹
The Unitech Engineering Group, S.E. (“ <u>Unitech</u> ”)	Urb Sabanera 40 Camino de la Cascada Cidra, Puerto Rico 00739	Unitech holds prepetition unsecured claims against the Commonwealth of Puerto Rico under certain construction contracts, in the approximate amount of \$11,284,462.70, plus interest.
Vitol, Inc. (“ <u>Vitol</u> ”) ⁵	2925 Richmond Ave. Houston, Texas 77098	Vitol holds prepetition unsecured claims of \$28,477,244.25 against PREPA for amounts owing under certain fuel oil purchase contracts, as well as claims of \$12,995,527.18 for accrued prepetition interest related to such amounts.

⁵ Vitol resigned from the Committee on April 27, 2018.